



INTERNATIONAL INFORMATION INCORPORATED

October 21, 1966

The Tobacco Institute, Inc.  
1735 K Street, N.W.  
Washington, D.C.

Subject: Financial Proposal for Tobacco Information Proposal # 6054

Gentlemen:

We are pleased to submit the following financial proposal for the development and operation of a Tobacco Information Center.

The overall development and operation is divided into a two-stage program:

1. The first phase is the initial development and processing of materials for the immediate requirements of the Tobacco Institute. This phase will begin at the date of contractual agreement, so long as this is prior to November 15, 1966, and will extend to the first week in March, 1967.
2. The second phase will begin after a review and evaluation of the first phase and will be the complete and operational stage of the program.

The following information is based on a contract date prior to November 15, 1966 and a contract term of 18 months. A minimum of 5,000 articles or documents will be entered into the system by the first week in March, 1966. The maximum number is dependent on the number of abstracts that can be used that have been prepared by the Council for Tobacco Research. It is estimated that the maximum number in the system at the time of full operation in March, 1966, will be 10,000 accessions.

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Abstracting, Indexing, Scanning, TIC Operation, and Related Services.

Since the number of documents to be entered into the system by March 1, 1967 can vary by 100%, the following method of pricing has been employed. A "time and materials" method of pricing is suggested to accomodate the uncertainties in the abstracting, indexing, and scanning program. These uncertainties include:

1. The number of useable abstracts from CTR.
2. The number of articles entered in the system on a current basis.
3. An increase or decrease in the scope of coverage of literature.
4. Additional services that may be required by the Tobacco Institute.

Prices:

Class 27 Labor (administrative) ..... \$22.50/hr.  
Class 37 Labor (abstracting, indexing, editing, scanning, etc.) ....14.50/hr.  
Class 47 Labor (proofreading, english editing) .....10.50/hr.

The above prices include typing, flexowriting (paper-tape preparation for computer) and general overhead.

Materials (materials that are to be used directly on project, i.e., xerox, journals, references.) ..... Billed as per attached form 3i-120

Travel ..... Billed as per attached form 3i-120

Materials and equipment from 3M Company for microfilming ..... \$500.00/month rental

Labor: Class 43 (microfilming) ..... \$5.30/hr.

Prices for leasing or lease-purchase plan is available on request.

Information Storage and Retrieval Services (IS&R)

(to be provided on subcontract to System Science Corporation)

IS&R services will be billed on unit rates as well as an initial fee and fixed monthly fee. These charges are as follows:

Initial charge for program set up ..... \$2,000.00

Charge for entering abstracts to reduced machine sensible form ..... \$1.00/document



Between November 15, 1966 and March 1, 1967 the minimum amount to be expended by the Tobacco Institute for IS&R services is \$7,000.00; the maximum is \$12,000.00.

From March 1, 1967 a fixed monthly fee of \$3,500.00 will be charged for the following basic services:

1. Entry of up to 150 documents per month
2. Inquiries of up to 350 per month
3. Stand by services between 8 AM and 12 Midnight Monday thru Friday. Saturday stand by will be from 8 AM and 4 PM unless prior notice is received that stand by will be required between 4 PM and Midnight. This additional service will be provided free of charge.
4. A listing of all new documents added to the system at the end of each month.
5. A cumulative list of documents contained in the system complete with abstracts to be prepared once every 6 months.

Services exceeding those included in the base rate will be billed as follows:

1. Each document to be entered in excess of 150 during any one month will be billed at a rate of \$1.00 per document.
2. Each inquiry in excess of 350 during any one month will be billed at a rate of \$1.75 per inquiry.
3. Stand by services beyond the normal hours of 8 AM and 12 Midnight Monday thru Saturday will be charged at a rate of \$6.00 per hour and will require 24 hours prior notice.

The Tobacco Institute may avail themselves of the inquiry services prior to March 1, 1967 and after February 1, 1967 by paying the per unit price for each inquiry they would normally pay in excess of the normal minimum charge.

#### Rental of Computer Program

The Computer program will be available on a rental basis . . . . . \$2,000.00/month  
(This is only available during operation of the total program as specified in the proposal)

#### Sale of Computer Program

The computer program will be available for sale on the following basis.

1. If Systems Science Corporation is in default of their subcontract the sale price will be \$48,000.00 less 40% of the total fees paid by the Tobacco Institute, Inc., for data processing serviced, but not less than \$12,000.00.



2. If Systems Science Corporation fulfills their contractual obligation and sale of the computer program is desirable by the Tobacco Institute, Inc., the sale price will be \$48,000.00.

The discs containing the data will belong to the Tobacco Institute.

#### Xerox Copy Service

Xerox copies of all or any articles in the center will be charged at the following rates.

Xeroxed at the same time as will be done in the usual manner during operation . . . . . \$0.10/page

Xeroxed on individual request (price includes procuring document from file) . . . . . \$0.15/page

#### Translation Service

Articles in a foreign language that are requested to be translated will be done at 3i's commercial rate. The requests will, however, be given top priority over all other translation work.

#### Use of Information Retrieval Services

Use of information retrieval services will be limited to the persons included on an approved list supplied to 3i by The Tobacco Institute.

Answers to queries sent over TWX will be sent only to approved TWX numbers on the approved user list. Any requests to be forwarded to a TWX number not included on the list will be refused.

The approved list can be updated at anytime by forwarding a letter, signed by the Project Officer from The Tobacco Institute.

#### Review of Overall Program

A review meeting will be held approximately March 7, 1967 and will include a review of the entire program as well as the pricing structure for all services.

#### Ongoing Operation of Tobacco Information Center After March 7, 1967

##### Monthly Costs (approximate)

Class 27 labor:	80 hours @ \$22.50/hr.	1,800
Class 37 labor:	400 hours @ 14.50/hr.	5,800
Class 47 labor:	320 hours @ 10.50/hr.	3,360
Class 43 labor:	160 hours @ 5.30/hr.	848

**3i**

Materials and travel	<u>1,000</u>
	12,808
Computer fee (minimum charge)	<u>3,500</u>
	16,308

Above prices include publishing and printing 25 copies of a weekly bulletin.

Prices have been prepared on the assumption that there will be a certain percentage of overlap in the work now being prepared by 3i.

#### Summary of Estimated Costs

Estimated cost of all services from November 15, 1966 to March 7, 1967:

Class 27 labor: 800 hours @ \$22.50/hr.	\$ 18,000
Class 37 labor: 8000 hours @ 14.50/hr.	116,000
Class 47 labor: 800 hours @ 10.50/hr.	8,400
Class 43 labor: 800 hours @ 5.30/hr.	4,240
Materials and travel	<u>6,500</u>
	153,140

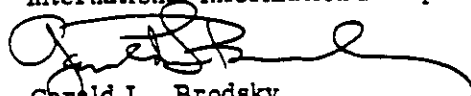
Approximate sub total based on  
maximum number of entries

Computer set up and initialization	\$ 2,000
Charge for entering materials in machine form (maximum)	<u>12,000</u>
Sub total	\$ 14,000
Grand total	\$167,140

This proposal shall remain in effect for a period of thirty days. We sincerely hope that it meets with your requirements, and we anticipate with pleasure the opportunity of working with The Tobacco Institute. Your signature on the bottom of this letter will indicate your acceptance of this proposal and will be sufficient authorization for us to proceed with this work on your behalf. We look forward to hearing from you.

Very truly yours,

International Information Incorporated

  
Gerald L. Brodsky  
Executive Director

APPROVED AND ACCEPTED:

THE TOBACCO INSTITUTE

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

